

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1090 be amended to read as follows:

- 1 Page 2, between lines 21 and 22, begin a new paragraph and insert:
- 2 "SECTION 3. IC 6-1.1-4-13, AS AMENDED BY P.L. 178-2002,
- 3 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the
- 5 land shall be assessed as agricultural land only when it is devoted to
- 6 agricultural use.
- 7 (b) The department of local government finance shall give written
- 8 notice to each county assessor of:
- 9 (1) the availability of the United States Department of Agriculture's
- 10 soil survey data; and
- 11 (2) the appropriate soil productivity factor for each type or
- 12 classification of soil shown on the United States Department of
- 13 Agriculture's soil survey map.
- 14 All assessing officials and the property tax assessment board of appeals
- 15 shall use the data in determining the true tax value of agricultural land.
- 16 (c) The department of local government finance shall by rule provide
- 17 for the method for determining the true tax value of each parcel of
- 18 agricultural land.
- 19 (d) This section does not apply to land purchased for industrial,
- 20 commercial, or residential uses.
- 21 **(e) Notwithstanding any other provision of this article or a rule**
- 22 **adopted by the department of local government finance, for**

1 **assessment dates in 2004 and thereafter the true tax value of**
 2 **agricultural land may not exceed eight hundred dollars (\$800) per**
 3 **acre."**

4 Page 4, delete lines 35 through 42, begin a new paragraph and insert:

5 "SECTION 7. IC 6-1.1-12-44 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: **Sec. 44. (a) As used in this section,**
 8 **"agricultural land" refers to land that is assessed as agricultural**
 9 **land under IC 6-1.1-4-13.**

10 **(b) As used in this chapter, "farm" means one (1) or more**
 11 **tracts of agricultural land with common ownership that are:**

12 **(1) devoted to an agricultural use;**

13 **(2) located in one (1) county; and**

14 **(3) contiguous, as determined without regard to any**
 15 **intervening public, public utility, or transportation easements**
 16 **or rights-of-way.**

17 **(c) As used in this section, "farm owner" means a person who**
 18 **is an owner of a farm.**

19 **(d) As used in this section, "total farmland acreage" means**
 20 **total farmland acreage, as determined for agricultural land under**
 21 **the rules adopted by the department of local government finance.**

22 **(e) A farm owner is eligible for a farmstead deduction for**
 23 **property taxes first due and payable in 2004 from the assessed**
 24 **valuation of the farm owner's farm.**

25 **(f) The amount of the farmstead deduction for property taxes**
 26 **first due and payable in 2004 is equal to twenty-four percent**
 27 **(24%) of the assessed valuation of the total farmland acreage in**
 28 **the farm. If the farm consists of more than one (1) tract that**
 29 **receives separate tax statements under IC 6-1.1-22-8, the**
 30 **farmstead deduction shall be allocated among the tracts in**
 31 **conformity with the rules adopted by the department of local**
 32 **government finance.**

33 **(g) To obtain the farmstead deduction under this section, a**
 34 **farm owner must file a certified statement in duplicate:**

35 **(1) on forms prescribed by the department of local**
 36 **government finance; and**

37 **(2) containing the information required by the department of**
 38 **local government finance;**

39 **with the county auditor of the county in which the agricultural**
 40 **land is subject to assessment. The statement must be filed before**
 41 **May 10 of the year containing the assessment date for the first**
 42 **year to which the farmstead deduction is to be applied. Upon**
 43 **verification of the statement by the township assessor of the**

township in which the agricultural land is subject to assessment, the county auditor shall allow the farmstead deduction.

(h) A person who receives a farmstead deduction under this section for a particular year and who remains eligible for the farmstead deduction for the following year is not required to file a statement to apply for the farmstead deduction for the following year.

(i) A person who receives a farmstead deduction provided under this section for a particular year and becomes ineligible for the farmstead deduction for the following year shall, before March 31 of the year for which the person becomes ineligible, notify the county auditor of the county in which the agricultural land for which the person received the farmstead deduction is located of the person's ineligibility. The filing of an amended application under subsection (k) meets the requirements of this subsection.

(j) The county auditor of each county shall, in a particular year, apply a farmstead deduction provided under this section to each person who received the farmstead deduction in the preceding year unless the auditor determines that the person is no longer eligible for the farmstead deduction.

SECTION 8. IC 6-1.1-21-3, AS AMENDED BY P.L.192-2002(ss), SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax replacement amount, which is the estimated property tax replacement.

(b) The department of local government finance shall certify to the department the amount of:

(1) property tax deduction replacement credits provided under IC 6-1.1-21.9 that are allowed by the county for the particular calendar year;

(2) homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year; and

(3) for property taxes first due and payable after 2004, the total amount of credits under section 5.2 of this chapter that are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement amount attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

SECTION 9. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003, SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5; **plus**

(4) the total amount of property tax deduction replacement credits that are provided under IC 6-1.1-21.9 and allowed by each county for that year; plus

1 **(5) for property taxes first due and payable after 2004, the**
2 **total amount of credits under section 5.2 of this chapter that**
3 **are allowed by the county for that year.**

4 (b) Except as provided in subsection (e), between March 1 and
5 August 31 of each year, the department shall distribute to each county
6 treasurer from the property tax replacement fund one-half (1/2) of the
7 estimated distribution for that year for the county. Between September
8 1 and December 15 of that year, the department shall distribute to each
9 county treasurer from the property tax replacement fund the remaining
10 one-half (1/2) of each estimated distribution for that year. The amount
11 of the distribution for each of these periods shall be according to a
12 schedule determined by the property tax replacement fund board under
13 section 10 of this chapter. The estimated distribution for each county
14 may be adjusted from time to time by the department to reflect any
15 changes in the total county tax levy upon which the estimated
16 distribution is based.

17 (c) On or before December 31 of each year or as soon thereafter as
18 possible, the department shall make a final determination of the amount
19 which should be distributed from the property tax replacement fund to
20 each county for that calendar year. This determination shall be known
21 as the final determination of distribution. The department shall distribute
22 to the county treasurer or receive back from the county treasurer any
23 deficit or excess, as the case may be, between the sum of the
24 distributions made for that calendar year based on the estimated
25 distribution and the final determination of distribution. The final
26 determination of distribution shall be based on the auditor's abstract filed
27 with the auditor of state, adjusted for postabstract adjustments included
28 in the December settlement sheet for the year, and such additional
29 information as the department may require.

30 (d) All distributions provided for in this section shall be made on
31 warrants issued by the auditor of state drawn on the treasurer of state.
32 If the amounts allocated by the department from the property tax
33 replacement fund exceed in the aggregate the balance of money in the
34 fund, then the amount of the deficiency shall be transferred from the
35 state general fund to the property tax replacement fund, and the auditor
36 of state shall issue a warrant to the treasurer of state ordering the
37 payment of that amount. However, any amount transferred under this
38 section from the general fund to the property tax replacement fund
39 shall, as soon as funds are available in the property tax replacement
40 fund, be retransferred from the property tax replacement fund to the
41 state general fund, and the auditor of state shall issue a warrant to the
42 treasurer of state ordering the replacement of that amount.

43 (e) Except as provided in subsection (i), the department shall not
44 distribute under subsection (b) and section 10 of this chapter the money
45 attributable to the county's property reassessment fund if:

(1) by the date the distribution is scheduled to be made, ~~(4)~~ the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance; ~~or~~

(2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section; **or**

~~(2)~~ **(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a).**

(f) Except as provided in subsection (i), if the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b), the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by ~~August 1~~ *October 1* as described in this section bears to the total number of townships in the county.

(g) Money not distributed ~~under subsection (e)~~ *for the reasons stated in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);

with respect to which the failure to send *or forward* resulted in the withholding of the distribution under subsection (e).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f).

(i) The restrictions on distributions under subsections (e) and (f) do not apply if the department of local government finance determines that:

(1) the failure of:

(A) a county auditor to send a certified statement; *or*

(B) a county assessor to forward copies of all approved

1 *exemption applications;*
 2 as described in subsection (e); or
 3 (2) the failure of an official to transmit data as described in
 4 subsection (f);
 5 is justified by unusual circumstances.

6 SECTION 10. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA
 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: **Sec. 5.2. (a) This section applies to the**
 9 **following:**

10 **(1) Real property other than agricultural land.**

11 **(2) Personal property.**

12 **(b) A taxpayer is entitled to a credit each year against the**
 13 **property tax liability on property described in subsection (a) that**
 14 **is owned by the taxpayer.**

15 **(c) The amount of the credit under this section is equal to the**
 16 **additional property tax liability imposed on the person's property**
 17 **described in section (a) on account of the reduction in the true tax**
 18 **value of agricultural land from the 2003 true tax value of**
 19 **agricultural land to the eight hundred dollars (\$800) per acre true**
 20 **tax value of agricultural land required by IC 6-1.1-4-13(e) for**
 21 **assessment dates in 2004 and thereafter.**

22 **(d) The department, with the assistance of the auditor of state,**
 23 **the department of local government finance, and the auditor of**
 24 **the county, shall determine the amount of each taxpayer's credit**
 25 **under this section and the total amount of credits under this**
 26 **section for each county.**

27 **(e) Each year the taxpayers of each county shall receive the**
 28 **credit provided by this section for taxes that under IC 6-1.1-22-9**
 29 **are due and payable in May and November of that year. The credit**
 30 **shall be applied to each installment of taxes.**

31 SECTION 11. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE
 32 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 33 PASSAGE]:

34 **Chapter 21.9. Property Tax Deduction Replacement Credits**

35 **Sec. 1. This chapter applies to the following a qualified property**
 36 **tax deduction.**

37 **Sec. 2. The definitions set forth in IC 6-1.1-21 apply throughout**
 38 **this chapter.**

39 **Sec. 3. As used in this chapter, "county property tax deduction**
 40 **replacement amount" means the sum of a particular county's**
 41 **taxpayer property tax deduction replacement credits.**

42 **Sec. 4. As used in this chapter, "qualified property tax**
 43 **deduction" means the property tax deduction under**

1 **IC 6-1.1-12-44.**

2 **Sec. 5. As used in this chapter, "taxpayer's property tax**
 3 **deduction replacement credit" means the amount determined in**
 4 **the last of the following STEPS:**

5 **STEP ONE: Determine the sum of the taxpayer's qualified**
 6 **property tax deductions.**

7 **STEP TWO: Multiply the STEP ONE result by the total net**
 8 **tax rate applicable in the taxpayer's taxing district.**

9 **Sec. 6. The department, with the assistance of the auditor of**
 10 **state and the department of local government finance, shall**
 11 **determine for each county an amount equal to the county**
 12 **property tax deduction replacement amount.**

13 **Sec. 7. For purposes of calculating tax rates, the county auditor**
 14 **shall add the sum of each county taxpayer's qualified property tax**
 15 **deductions to the county's net assessed value.**

16 **Sec. 8. For purposes of calculating a particular taxpayer's tax**
 17 **bill, the county treasurer shall add the sum of the taxpayer's**
 18 **qualified property tax deductions to the taxpayer's net assessed**
 19 **value.**

20 **Sec. 9. Each year the taxpayers of each county shall receive a**
 21 **credit for property tax deduction replacement in the amount of**
 22 **each taxpayer's property tax deduction replacement credit amount**
 23 **for taxes that under IC 6-1.1-22-9 are due and payable in May and**
 24 **November of that year. The credit shall be applied to each**
 25 **installment of taxes. The dollar amount of the credit for each**
 26 **taxpayer shall be determined by the county auditor based on data**
 27 **furnished by the department of local government finance.**

28 **SECTION 12. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-21-3**
 29 **and IC 6-1.1-21-4, both as amended by this act, apply only to**
 30 **property taxes first due and payable after December 31, 2003.**

31 **(b) IC 6-1.1-21.9, as added by this act, applies only to property**
 32 **taxes first due and payable after December 31, 2003.**

33 **(c) IC 6-1.1-21-5.2, as added by this act, applies only to property**
 34 **taxes first due and payable after December 31, 2004."**

35 Delete pages 5 through 16.

36 Page 17, delete lines 1 through 36.

37 ReNUMBER all SECTIONS consecutively.

(Reference is to HB 1090 as printed January 30, 2004.)

Representative Espich